



QUARTERLY STATEMENT

AS OF MARCH 31 , 2014

OF THE CONDITION AND AFFAIRS OF THE

Philadelphia American Life Insurance Company

NAIC Group Code 0520, 0520 NAIC Company Code 67784 Employer's ID Number 74-1952955

(Current Period) (Prior Period)

Organized under the Laws of Texas, State of Domicile or Port of Entry Texas

Country of Domicile US

Incorporated/Organized January 6, 1978 Commenced Business March 1, 1978

Statutory Home Office 11720 Katy Freeway, Suite 1700, Houston, Texas 77079

(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office 11720 Katy Freeway, Suite 1700, Houston, Texas 77079 281-368-7200

(Street and Number, City or Town, State, Country and Zip Code)

(Area Code) (Telephone Number)

Mail Address 11720 Katy Freeway, Suite 1700, Houston, Texas 77079

(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records 11720 Katy Freeway, Suite 1700, Houston, Texas 77079

(Street and Number, City or Town, State, Country and Zip Code)

281-368-7200

(Area Code) (Telephone Number)

Internet Website Address www.philadelphiaamericanlife.com

Statutory Statement Contact Paul Mundy 281-368-7247

(Name)

(Area Code) (Telephone Number) (Extension)

pmundy@neweralife.com 281-368-7268

(E-Mail Address)

(Fax Number)

OFFICERS

Bill S Chen (President)
Mary D Frazier (Secretary)
Jim Hobelman (Actuary)
Bill S Chen (Treasurer)

OTHER OFFICERS

Jerry Lee (Senior Vice President)
George M. Rambo (Senior Vice President & CIO)
Susen Bookwalter (Vice President)
Edith Chen (Vice President)
David Collett (Vice President)
Jane Goss (Vice President)
James Hobelman (Vice President)
Brian Hull (Vice President)
Silvana Lai (Vice President)
Nelda Mays (Vice President)
Paul Mundy (Vice President)
Sherry Nohl (Vice President)
Lyle Ross (Vice President)
Brian Tsao (Vice President)

DIRECTORS OR TRUSTEES

Stephen Bickel
Thomas J Brophy
Bill S Chen
L C Chen
Mary D Frazier
E Marcus House
Mark Nielsen
David Tai
Don J Wang

State of Texas }
County of Harris } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions there from for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Bill S Chen
President

Mary D Frazier
Secretary

Jim Hobelman
Actuary

Subscribed and sworn to before me this
8th day of May, 2014

- a. Is this an original filing? Yes (X) No ()
- b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Statement Date			4
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	December 31 Prior Year Net Admitted Assets
1. Bonds	190,940,809		190,940,809	184,999,223
2. Stocks:				
2.1 Preferred stocks	740,000		740,000	740,000
2.2 Common stocks	49,461		49,461	52,599
3. Mortgage loans on real estate:				
3.1 First liens	9,030,060		9,030,060	6,584,776
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)	634,886		634,886	634,886
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 1,174,835), cash equivalents (\$) and short-term investments (\$ 14,449)	1,189,284		1,189,284	5,943,828
6. Contract loans (including \$ premium notes)	237,989		237,989	223,127
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 through Line 11)	202,822,489		202,822,489	199,178,439
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	2,268,982		2,268,982	2,088,062
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	998,997		998,997	1,142,206
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	1,191,110		1,191,110	1,270,392
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	809,815		809,815	886,660
18.2 Net deferred tax asset	771,293		771,293	976,217
19. Guaranty funds receivable or on deposit	93,422		93,422	77,575
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	261,749		261,749	67,828
24. Health care (\$) and other amounts receivable	510,214	510,214		
25. Aggregate write-ins for other-than-invested assets				10,676
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	209,728,071	510,214	209,217,857	205,698,055
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Totals (Line 26 and Line 27)	209,728,071	510,214	209,217,857	205,698,055
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)				
2501. Other Receivable				10,676
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)				10,676

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$. . . 82,167,957 less \$ included in Line 6.3 (including \$ Modco Reserve)	82,167,957	81,964,104
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)	59,012,328	58,511,209
3. Liability for deposit-type contracts (including \$ Modco Reserve)	1,597,726	1,598,767
4. Contract claims:		
4.1 Life	1,556,458	1,238,524
4.2 Accident and health	26,878,797	26,504,306
5. Policyholders' dividends \$ and coupons \$ due and unpaid		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco)		
6.2 Dividends not yet apportioned (including \$ Modco)		
6.3 Coupons and similar benefits (including \$ Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums	2,568,296	2,630,538
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on cancelled contracts		
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$ is for medical loss ratio rebate per the Public Health Service Act		
9.3 Other amounts payable on reinsurance, including \$ assumed and \$ ceded		
9.4 Interest Maintenance Reserve	1,328,521	1,335,695
10. Commissions to agents due or accrued-life and annuity contracts \$, accident and health \$ and deposit-type contract funds \$		
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued	269,214	166,346
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	315,114	248,640
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income		
17. Amounts withheld or retained by company as agent or trustee	61,904	99,602
18. Amounts held for agents' account, including \$ agents' credit balances	50,968	35,422
19. Remittances and items not allocated	649,879	327,728
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve	1,159,386	993,946
24.02 Reinsurance in unauthorized and certified (\$) companies		
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$) reinsurers		
24.04 Payable to parent, subsidiaries and affiliates	995,931	859,724
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives		
24.09 Payable for securities	1,126,300	210,945
24.10 Payable for securities lending		
24.11 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	17,797	17,797
26. Total liabilities excluding Separate Accounts business (Line 1 to Line 25)	179,756,576	176,743,293
27. From Separate Accounts statement		
28. Total liabilities (Line 26 and Line 27)	179,756,576	176,743,293
29. Common capital stock	3,000,000	3,000,000
30. Preferred capital stock		
31. Aggregate write-ins for other-than-special surplus funds		
32. Surplus notes		
33. Gross paid in and contributed surplus	6,575,321	6,575,321
34. Aggregate write-ins for special surplus funds		
35. Unassigned funds (surplus)	19,885,960	19,379,441
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (Total Line 31 through Line 35 minus Line 36) (including \$ in Separate Accounts Statement)	26,461,281	25,954,762
38. Totals of Line 29, Line 30 and Line 37	29,461,281	28,954,762
39. Totals of Line 28 and Line 38 (Page 2, Line 28, Col. 3)	209,217,857	205,698,055
DETAILS OF WRITE-INS		
2501. Reinsurance Payable	17,797	17,797
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	17,797	17,797
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page		
3199. Totals (Line 3101 through Line 3103 plus Line 3198) (Line 31 above)		
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page		
3499. Totals (Line 3401 through Line 3403 plus Line 3498) (Line 34 above)		

STATEMENT AS OF MARCH 31 , 2014 OF THE Philadelphia American Life Insurance Company

SUMMARY OF OPERATIONS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	35,877,131	27,872,500	120,382,627
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	2,515,885	2,637,381	10,074,357
4. Amortization of Interest Maintenance Reserve (IMR)	7,174	(10,332)	(9,236)
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded	6,461	6,429	25,388
7. Reserve adjustments on reinsurance ceded			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management , administration and contract guarantees from Separate Accounts			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	232,958	202,958	1,220,777
9. Totals (Line 1 to Line 8.3)	38,639,609	30,708,936	131,693,913
10. Death benefits	214,654	317,265	1,015,119
11. Matured endowments (excluding guaranteed annual pure endowments)			
12. Annuity benefits	692,577	443,006	1,676,802
13. Disability benefits and benefits under accident and health contracts	22,494,049	19,980,473	80,576,411
14. Coupons , guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts	5,338,479	2,757,085	11,521,192
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds	(1,360)	80,086	47,458
18. Payments on supplementary contracts with life contingencies	3,859	2,035	10,002
19. Increase in aggregate reserves for life and accident and health contracts	704,972	(180,452)	1,777,276
20. Totals (Line 10 to Line 19)	29,447,230	23,399,498	96,624,260
21. Commissions on premiums , annuity considerations , and deposit-type contract funds (direct business only)	4,236,818	3,413,809	15,230,794
22. Commissions and expense allowances on reinsurance assumed	4,559	4,780	28,233
23. General insurance expenses	3,119,795	2,666,199	11,631,635
24. Insurance taxes , licenses and fees , excluding federal income taxes	856,270	1,087,889	2,969,778
25. Increase in loading on deferred and uncollected premiums	11,288	16,185	694
26. Net transfers to or (from) Separate Accounts net of reinsurance			
27. Aggregate write-ins for deductions	109,801	90,339	393,208
28. Totals (Line 20 to Line 27)	37,785,761	30,678,699	126,878,602
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	853,848	30,237	4,815,311
30. Dividends to policyholders			
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	853,848	30,237	4,815,311
32. Federal and foreign income taxes incurred (excluding tax on capital gains)	76,845		949,410
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	777,003	30,237	3,865,901
34. Net realized capital gains or (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$ (excluding taxes of \$ transferred to the IMR)	(16)		(741,457)
35. Net Income (Line 33 plus Line 34)	776,987	30,237	3,124,444
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus , December 31 , prior year	28,954,762	26,099,590	26,099,590
37. Net income (Line 35)	776,987	30,237	3,124,444
38. Change in net unrealized capital gains (losses) less capital gains tax of \$ (3,139)	(3,139)	3,174	9,577
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax	(204,924)	89,022	118,993
41. Change in nonadmitted assets	103,035	(102,618)	(232,500)
42. Change in liability for reinsurance in unauthorized and certified companies			
43. Change in reserve on account of change in valuation basis , (increase) or decrease			
44. Change in asset valuation reserve	(165,440)	(123,598)	(165,342)
45. Change in treasury stock			
46. Surplus (contributed to) withdrawn from Separate Accounts during period			
47. Other changes in surplus in Separate Accounts Statement			
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles			
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in			
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance			
52. Dividends to stockholders			
53. Aggregate write-ins for gains and losses in surplus			
54. Net change in capital and surplus (Line 37 through Line 53)	506,519	(103,783)	2,855,172
55. Capital and surplus as of statement date (Line 36 plus Line 54)	29,461,281	25,995,807	28,954,762
DETAILS OF WRITE-INS			
08.301. Administrative fees and other income	232,958	202,958	1,220,777
08.302.			
08.303.			
08.398. Summary of remaining write-ins for Line 8.3 from overflow page			
08.399. Totals (Line 08.301 through Line 08.303 plus Line 08.398) (Line 8.3 above)	232,958	202,958	1,220,777
2701. Provider Network service charges	109,801	90,339	393,208
2702.			
2703.			
2798. Summary of remaining write-ins for Line 27 from overflow page			
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above)	109,801	90,339	393,208
5301.			
5302.			
5303.			
5398. Summary of remaining write-ins for Line 53 from overflow page			
5399. Totals (Line 5301 through Line 5303 plus Line 5398) (Line 53 above)			

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	35,946,810	27,721,799	121,365,975
2. Net investment income	2,103,957	2,126,609	8,485,274
3. Miscellaneous income	239,419	209,387	1,246,165
4. Total (Line 1 through Line 3)	38,290,186	30,057,795	131,097,414
5. Benefit and loss related payments	27,970,551	24,088,659	94,583,497
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	8,173,848	7,142,928	30,235,514
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		(1,709)	1,400,000
10. Total (Line 5 through Line 9)	36,144,399	31,229,878	126,219,011
11. Net cash from operations (Line 4 minus Line 10)	2,145,787	(1,172,083)	4,878,403
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	1,719,985	3,238,366	22,577,827
12.2 Stocks			211,196
12.3 Mortgage loans	54,716	3,451,830	6,760,176
12.4 Real estate			2,800,000
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds	915,355		210,945
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	2,690,056	6,690,196	32,560,144
13. Cost of investments acquired (long-term only):			
13.1 Bonds	7,430,579	4,691,584	35,590,825
13.2 Stocks			
13.3 Mortgage loans	2,500,000		1,100,000
13.4 Real estate		2,419,394	2,419,394
13.5 Other invested assets			
13.6 Miscellaneous applications		47,200	
13.7 Total investments acquired (Line 13.1 through Line 13.6)	9,930,579	7,158,178	39,110,219
14. Net increase (or decrease) in contract loans and premium notes	14,862		25,989
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(7,255,385)	(467,982)	(6,576,064)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities	(1,041)	123,142	142,879
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	356,095	208,688	458,457
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	355,054	331,830	601,336
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(4,754,544)	(1,308,235)	(1,096,325)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	5,943,828	7,040,153	7,040,153
19.2 End of period (Line 18 plus Line 19.1)	1,189,284	5,731,918	5,943,828

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			
20.0004			
20.0005			
20.0006			
20.0007			
20.0008			
20.0009			
20.0010			

EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS

	1	2	3
	Current Year to Date	Prior Year to Date	Prior Year Ended December 31
1. Industrial life			
2. Ordinary life insurance	366,037	331,547	1,334,038
3. Ordinary individual annuities	5,855,178	2,183,058	12,920,736
4. Credit life (group and individual)			
5. Group life insurance	45,670	48,533	187,420
6. Group annuities			
7. A & H - group	775,630	814,279	3,291,291
8. A & H - credit (group and individual)			
9. A & H - other	29,004,901	24,671,316	103,303,349
10. Aggregate of all other lines of business			
11. Subtotal	36,047,416	28,048,733	121,036,834
12. Deposit-type contracts			
13. Total	36,047,416	28,048,733	121,036,834
DETAILS OF WRITE-INS			
1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page			
1099. Total (Line 1001 through Line 1003 plus Line 1098) (Line 10 above)			

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Philadelphia American Life Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance.

The Texas Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Texas for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the laws of the state of Texas. The state of Texas requires insurance companies domiciled in the state of Texas to prepare their statutory financials statements in accordance with the National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP), subject to any deviations prescribed or permitted by the Texas Department of Insurance.

A reconciliation of the Company's statutory income and capital and surplus between NAIC SAP and practices prescribed and permitted by the Texas Department of Insurance is shown below:

	03/31/14	12/31/13
Net Income - Texas basis	\$ 776,987	\$ 3,124,444
State Prescribed Practices – None	-	-
State Permitted Practices – Offset realized gains and losses	-	\$ -
Net Income – NAIC SAP	<u>\$ 776,987</u>	<u>\$ 3,124,444</u>
Statutory Surplus – Texas Basis	\$ 29,461,281	\$ 28,954,762
State Prescribed Practices – None	-	-
State Permitted Practices – Offset realized gains and losses	-	-
Statutory Surplus – NAIC SAP	<u>\$ 29,461,281</u>	<u>\$ 28,954,762</u>

B. – D. No significant change

Note 2 – Accounting Changes and Correction of Errors

No significant change.

Note 3 – Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

A. – C. No significant change.

D. Loan-Backed Securities

1. Prepayment assumptions for single class and multi-class mortgages-backed/asset backed securities were obtained from broker dealer survey values or internal estimates.

2. Recognized OTTI, intent to sell or inability to hold

	1	2		3
	Amortized Cost Basis before OTTI	OTTI Recognized in Loss 2a Interest 2b Non-Interest		Fair Value 1 – (2a + 2b)
OTTI recognized 1 st Quarter				
a. Intent to Sell				
b. Inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost basis				
c. Total 1 st Quarter	\$0	\$0	\$0	\$0
3. Recognized OTTI securities, present value of cash flows less than amortized cost:				
NONE				
4. Impaired securities for which an OTTI has not been recognized.				
a. The aggregate amount of unrealized losses:				
1. Less than 12 Months	\$ 3,276,748			
2. 12 Months or Longer	\$ 1,479,898			
b. The aggregate related fair value of securities with unrealized losses:				
1. Less than 12 Months	\$14,044,692			
2. 12 months or Longer	\$ 7,532,352			

5. No significant change.

E. – G. No significant changes.

STATEMENT AS OF MARCH 31 , 2014 OF THE Philadelphia American Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Tax

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

No significant change.

Note 11 - Debt

No significant change.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits, Compensated Absences and Other Postretirement Benefit Plans

No significant change.

Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

No significant change.

Note 14 – Contingencies

No significant change.

Note 15 - Leases

No significant change.

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

No significant change.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not Applicable

Note 18 - Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially insured Plans

Not Applicable.

Note 19 - Direct Premium Written /Produced by Managing General Agents / Third Party Administrators

No significant change.

Note 20 - Fair Value Measurements

- A.
- (1) Fair Value Measurements at Reporting Date

1	2	3	4	5
Description	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at Fair Value				
Common stocks				
Industrial & Misc.	49,461			49,461
Bonds				
Industrial & Misc.			2,701,778	2,701,778
Total assets at fair value	49,461		2,701,778	2,751,239

The Company has categorized its assets and liabilities into the three-level fair value hierarchy based upon the priority of the inputs to the respective valuation technique. The following summarizes the type of assets and liabilities included within the three-level fair value hierarchy presented in the table above:

- Level 1 This category includes exchange-traded common stocks. The common stocks are carried at fair value.
- Level 2 The Company has no Level 2 assets or liabilities.
- Level 3 This category includes publicly traded bonds. These bonds are valued at lower of cost or fair value. The bonds are carried at fair value.

(2) – (5) Not applicable.

STATEMENT AS OF MARCH 31 , 2014 OF THE Philadelphia American Life Insurance Company

NOTES TO FINANCIAL STATEMENTS

Note 20 - Fair Value Measurements (continued)

- B. Other Fair Value Disclosure – Not applicable.
- C. Fair Values for All Financial Instruments by Levels 1, 2 and 3.

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, etc.). The fair values are also categorized into the three-level fair value hierarchy as described above in Note 2A.

1 Type of Financial Instruments	2 Fair Value	3 Admitted Value	4 Level 1	5 Level 2	6 Level 3	7 Not Practical
Financial Instruments - assets						
Bonds	193,303,397	190,940,809	6,215,195	178,010,761	9,077,441	
Preferred stocks	766,000	740,000	766,000			
Common stocks	49,461	49,461	49,461			
Mortgage loans	9,030,060	9,030,060		9,030,060		
Cash equivalents & ST Invest.	1,189,284	1,189,284	1,189,284			
Contract loans	237,989	237,989		237,989		
Total assets	204,576,191	202,187,603	8,219,940	187,278,810	9,077,441	

- D. Reasons Not Practical to Estimate Fair Value – Not applicable.

Note 21 - Other Items

No significant change.

Note 22 - Events Subsequent

No significant change.

Note 23 - Reinsurance

No significant change.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

No significant change.

Note 25 - Changes in Incurred Losses and Loss Adjustment Expenses

Reserves on accident and health contracts for insured losses and loss adjustment expenses attributable to insured events of prior years developed as anticipated during 2014. Original estimates are increased or decreased as additional information becomes known regarding individual claims. However, no significant trends or unanticipated events were noted in 2014. None of the Company's accident and health contracts are subject to retrospective rating or experience refunds.

Note 26 - Intercompany Pooling Arrangements

No significant change.

Note 27 - Structured Settlements

No significant change.

Note 28 - Health Care Receivables

No significant change.

Note 29 - Participating Policies

No significant change.

Note 30 - Premium Deficiency Reserves

No significant change.

Note 31 - Reserves for Life Contracts and Deposit -Type Contracts

No significant change.

Note 32 - Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics

No significant change.

Note 33 - Premium and Annuity Considerations Deferred and Uncollected

No significant change.

Note 34 - Separate Accounts

No significant change.

Note 35 - Loss/Claim Adjustment Expenses

No significant change.

NOTES TO FINANCIAL STATEMENTS

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile , as required by the Model Act?

Yes () No (X)
- 1.2

If yes , has the report been filed with the domiciliary state?

Yes () No ()
- 2.1

Has any change been made during the year of this statement in the charter , by-laws , articles of incorporation , or deed of settlement of the reporting entity?

Yes () No (X)
- 2.2

If yes , date of change:

.....
- 3.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons , one or more of which is an insurer?

Yes () No (X)
- If yes , complete Schedule Y , Parts 1 and 1A.
- 3.2

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes () No (X)
- 3.3

If the response to 3.2 is yes , provide a brief description of those changes.

.....
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes () No (X)
- 4.2

If the response to 4. 1 is yes , provide the name of entity , NAIC Company Code , and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

<div>1</div> <div>Name of Entity</div>	<div>2</div> <div>NAIC Company Code</div>	<div>3</div> <div>State of Domicile</div>
----------------------------------------	-------------------------------------------	-------------------------------------------

5.

If the reporting entity is subject to a management agreement , including third-party administrator (s) , managing general agent (s) , attorney-in-fact , or similar agreement , have there been any significant changes regarding the terms of the agreement or principals involved?

Yes () No () N/A (X)
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2013
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity . This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2008
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity . This is the release date or completion date of the examination report and not the date of the examination (balance sheet date) .

09/30/2010
- 6.4

By what department or departments?

Texas Department of Insurance
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes () No () N/A (X)
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes (X) No () N/A ()
- 7.1

Has this reporting entity had any Certificates of Authority , licenses or registrations (including corporate registration , if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes () No (X)
- 7.2

If yes , give full information

.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes () No (X)
- 8.2

If response to 8. 1 is yes , please identify the name of the bank holding company.

.....

- 8.3

Is the company affiliated with one or more banks , thrifts or securities firms?

Yes () No (X)
- 8.4

If response to 8.3 is yes , please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB) , the Office of the Comptroller of the Currency (OCC) , the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

<div>1</div> <div>Affiliate Name</div>	<div>2</div> <div>Location (City , State)</div>	<div>3</div> <div>FRB</div>	<div>4</div> <div>OCC</div>	<div>5</div> <div>FDIC</div>	<div>6</div> <div>SEC</div>
----------------------------------------	-------------------------------------------------	-----------------------------	-----------------------------	------------------------------	-----------------------------

- 9.1

Are the senior officers (principal executive officer , principal financial officer , principal accounting officer or controller , or persons performing similar functions) of the reporting entity subject to a code of ethics , which includes the following standards?
(a) Honest and ethical conduct , including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full , fair , accurate , timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws , rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes (X) No ()
- 9.11

If the response to 9. 1 is No , please explain:

.....
.....
- 9.2

Has the code of ethics for senior managers been amended?

Yes () No (X)
- 9.21

If the response to 9.2 is Yes , provide information related to amendment (s) .

.....
.....
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes () No (X)
- 9.31

If the response to 9.3 is Yes , provide the nature of any waiver (s) .

.....
.....

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent , subsidiaries or affiliates on Page 2 of this statement?
- Yes (X) No ()
- 10.2 If yes, indicate the amounts receivable from parent included in the Page 2 amount:
- \$ 261,749

INVESTMENT

- 11.1 Were any of the stocks , bonds , or other assets of the reporting entity loaned , placed under option agreement , or otherwise made available for use by another person?
(Exclude securities under securities lending agreements.)
- Yes () No (X)

- 11.2 If yes, give full and complete information relating thereto:
-

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:
- \$
13. Amount of real estate and mortgages held in short-term investments:
- \$

- 14.1 Does the reporting entity have any investments in parent , subsidiaries and affiliates?
- Yes () No (X)

- 14.2 If yes, please complete the following:

	¹ Prior Year-End Book/ Adjusted Carrying Value	² Current Quarter Book/ Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans or Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent , Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26)	\$	\$
14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above	\$	\$

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?
- Yes () No (X)

- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
- Yes () No ()

If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:

- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2
- \$
- 16.2 Total book adusted /carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2
- \$
- 16.3 Total payable for securities lending reported on the liability page
- \$

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?
- Yes (X) No ()

- 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

¹ Name of Custodian (s)	² Custodian Address
---------------------------------------	-----------------------------------

JP Morgan Chase 712 Main Street, 5th Floor South, Houston, TX 77002

- 17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

¹ Name(s)	² Location(s)	³ Complete Explanation(s)
-------------------------	-----------------------------	-----------------------------------------

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?
- Yes () No (X)

- 17.4 If yes, give full and complete information relating thereto:

¹ Old Custodian	² New Custodian	³ Date of Change	⁴ Reason
-------------------------------	-------------------------------	--------------------------------	------------------------

- 17.5 Identify all investment advisors , broker /dealers or individuals acting on behalf of broker /dealers that have access to the investment accounts , handle securities and have authority to make investments on behalf of the reporting entity:

¹ Central Registration Depository	² Name (s)	³ Address
----------------------------------------------------	--------------------------	-------------------------

109005 Advantus Capital Management 400 Robert Street North, St. Paul, MN 55101

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
- Yes (X) No ()

- 18.2 If no, list exceptions:
-

STATEMENT AS OF MARCH 31 , 2014 OF THE Philadelphia American Life Insurance Company

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

1. Report the statement value of mortgage loans at the end of this reporting period for the following categories:

1

Amount

1.1 Long-Term Mortgages in Good Standing

1.11 Farm Mortgages

1.12 Residential Mortgages

1.13 Commercial Mortgages

1.14 Total Mortgages in Good Standing

\$

\$

\$

\$

9,030,060

9,030,060

1.2 Long-Term Mortgages in Good Standing with Restructured Terms

1.21 Total Mortgages in Good Standing with Restructured Terms

\$

1.3 Long-Term Mortgage Loans upon which Interest is Overdue more than Three Months

1.31 Farm Mortgages

1.32 Residential Mortgages

1.33 Commercial Mortgages

1.34 Total Mortgages with Interest Overdue more than Three Months

\$

\$

\$

\$

1.4 Long-Term Mortgage Loans in Process of Foreclosure

1.41 Farm Mortgages

1.42 Residential Mortgages

1.43 Commercial Mortgages

1.44 Total Mortgages in Process of Foreclosure

\$

\$

\$

\$

1.5 Total Mortgage Loans (Line 1.14 plus Line 1.21 plus Line 1.34 plus Line 1.44) (Page 2, Column 3, Line 3.1 plus Line 3.2)

\$

9,030,060

1.6 Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter

1.61 Farm Mortgages

1.62 Residential Mortgages

1.63 Commercial Mortgages

1.64 Total Mortgages Foreclosed and Transferred to Real Estate

\$

\$

\$

\$

2. Operating Percentages:

2.1 A&H loss percent

2.2 A&H cost containment percent

2.3 A&H expense percent excluding cost containment expenses

78.5 %

%

26.2 %

3.1 Do you act as a custodian for health savings accounts?

Yes () No (X)

3.2 If yes, please provide the amount of custodial funds held as of the reporting date

\$

3.3 Do you act as an administrator for health savings accounts?

Yes () No (X)

3.4 If yes, please provide the balance of the funds administered as of the reporting date

\$

Page 10
Schedule S - Ceded Reinsurance
NONE

STATEMENT AS OF MARCH 31 , 2014 OF THE Philadelphia American Life Insurance Company

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.			1	Direct Business Only					
				Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Column 2 Through Column 5	7 Deposit-Type Contracts
				2 Life Insurance Premiums	3 Annuity Considerations				
1. Alabama	AL	L		14,154		1,121,717		1,135,871	
2. Alaska	AK	L				1,642		1,642	
3. Arizona	AZ	L		692		83,823		84,515	
4. Arkansas	AR	L		3,775		399,516		403,291	
5. California	CA	L		306		314,879		315,185	
6. Colorado	CO	L		529		59,439		59,968	
7. Connecticut	CT	L		81		1,867		1,948	
8. Delaware	DE	L		92		5,166		5,258	
9. District of Columbia	DC	L				1,754		1,754	
10. Florida	FL	L		2,753		628,317		631,070	
11. Georgia	GA	L		3,243		361,648		364,891	
12. Hawaii	HI	L		90				90	
13. Idaho	ID	L				4,826		4,826	
14. Illinois	IL	L		23,722		3,262,520		3,286,242	
15. Indiana	IN	L		1,522		1,051,390		1,052,912	
16. Iowa	IA	L		516		43,620		44,136	
17. Kansas	KS	L		418		466,021		466,439	
18. Kentucky	KY	L		334		102,623		102,957	
19. Louisiana	LA	L		1,554		265,700		267,254	
20. Maine	ME	L				7,729		7,729	
21. Maryland	MD	L		127		13,027		13,154	
22. Massachusetts	MA	L				1,311		1,311	
23. Michigan	MI	L		131		20,342		20,473	
24. Minnesota	MN	L				74,029		74,029	
25. Mississippi	MS	L		30,905		7,169,257		7,200,162	
26. Missouri	MO	L		1,318		186,106		187,424	
27. Montana	MT	L				38,069		38,069	
28. Nebraska	NE	L				211,982		211,982	
29. Nevada	NV	L		1,089		8,520		9,609	
30. New Hampshire	NH	L				1,697		1,697	
31. New Jersey	NJ	L		2,970		370,400		373,370	
32. New Mexico	NM	L		237		51,723		51,960	
33. New York	NY	N		251		3,109		3,360	
34. North Carolina	NC	L		147,364		1,051,478		1,198,842	
35. North Dakota	ND	L				7,486		7,486	
36. Ohio	OH	L		27,279		2,266,124		2,293,403	
37. Oklahoma	OK	L		3,776		977,476		981,252	
38. Oregon	OR	L		35		8,038		8,073	
39. Pennsylvania	PA	L		40,440		3,701,167		3,741,607	
40. Rhode Island	RI	N		100				100	
41. South Carolina	SC	L		205		270,450		270,655	
42. South Dakota	SD	L				33,810		33,810	
43. Tennessee	TN	L		38,993		2,746,738		2,785,731	
44. Texas	TX	L		43,329	5,855,178	2,190,377		8,088,884	
45. Utah	UT	L				12,945		12,945	
46. Vermont	VT	L				1,620		1,620	
47. Virginia	VA	L		749		75,477		76,226	
48. Washington	WA	L		484		11,842		12,326	
49. West Virginia	WV	L		70		3,013		3,083	
50. Wisconsin	WI	L		708		32,005		32,713	
51. Wyoming	WY	L		88		7,879		7,967	
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N				8,986		8,986	
55. U. S. Virgin Islands	VI	N				33,973		33,973	
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate Other Alien	OT	X X X		474		36,113		36,587	
59. Subtotal	(a)	50		394,903	5,855,178	29,810,766		36,060,847	
90. Reporting entity contributions for employee benefit plans		X X X							
91. Dividends or refunds applied to purchase paid-up additions and annuities		X X X							
92. Dividends or refunds applied to shorten endowment or premium paying period		X X X							
93. Premium or annuity considerations waived under disability or other contract provisions		X X X		631		55,617		56,248	
94. Aggregate other amounts not allocable by State		X X X							
95. Totals (Direct Business)		X X X		395,534	5,855,178	29,866,383		36,117,095	
96. Plus Reinsurance Assumed		X X X				75,022		75,022	
97. Totals (All Business)		X X X		395,534	5,855,178	29,941,405		36,192,117	
98. Less Reinsurance Ceded		X X X		13,370		231,938		245,308	
99. Totals (All Business) less Reinsurance Ceded		X X X		382,164	5,855,178	29,709,467		35,946,809	
DETAILS OF WRITE-INS									
58001. Other		X X X		474		36,113		36,587	
58002.		X X X							
58003.		X X X							
58998. Summary of remaining write-ins for Line 58 from overflow page		X X X							
58999. Total (Line 58001 through Line 58003 plus Line 58998) (Line 58 above)		X X X		474		36,113		36,587	
9401.		X X X							
9402.		X X X							
9403.		X X X							
9498. Summary of remaining write-ins for Line 94 from overflow page		X X X							
9499. Total (Line 9401 through Line 9403 plus Line 9498) (Line 94 above)		X X X							

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

PART 1 - ORGANIZATIONAL CHART

NONE

Page 13
Schedule Y, Part 1A
NONE

Schedule Y, Part 1A, Explanation
NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?

Response

NO

Explanation:

Barcode

Document Identifier 490:

67784201449000001

2. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

NO

Explanation:

Barcode

Document Identifier 365:

67784201436500001

3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?

NO

EXPLANATION:

BARCODE:

Document Identifier 445:

67784201444500001

4. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?

NO

EXPLANATION:

BARCODE:

Document Identifier 446:

67784201444600001

5. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?

NO

EXPLANATION:

BARCODE:

Document Identifier 447:

67784201444700001

6. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?

NO

EXPLANATION:

BARCODE:

Document Identifier 448:

67784201444800001

7. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC?

NO

EXPLANATION:

BARCODE:

Document Identifier 449:

67784201444900001

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	634,886	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		2,419,394
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		1,015,492
5. Deduct amounts received on disposals		2,800,000
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other-than-temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 minus Line 5 plus Line 6 minus Line 7 minus Line 8)	634,886	634,886
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	634,886	634,886

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	6,584,776	12,244,952
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	2,500,000	1,100,000
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	54,716	6,760,176
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)	9,030,060	6,584,776
12. Total Valuation Allowance		
13. Subtotal (Line 11 plus Line 12)	9,030,060	6,584,776
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	9,030,060	6,584,776

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December	NONE	
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after a		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	185,791,824	172,513,106
2. Cost of bonds and stocks acquired	7,430,578	35,590,825
3. Accrual of discount	375,304	1,727,508
4. Unrealized valuation increase (decrease)	(3,139)	14,511
5. Total gain (loss) on disposals	(16)	520,134
6. Deduct consideration for bonds and stocks disposed of	1,719,985	22,907,934
7. Deduct amortization of premium	144,296	582,836
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		1,083,490
10. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 minus Line 6 minus Line 7 plus Line 8 minus Line 9)	191,730,270	185,791,824
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	191,730,270	185,791,824

SCHEDULE D - PART 1B

Showing the Acquisitions , Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	95,174,207	4,287,248	1,419,015	(241,785)	97,800,655			95,174,207
2. NAIC 2 (a)	74,113,039	3,157,690	2,977	(379,162)	76,888,590			74,113,039
3. NAIC 3 (a)	5,234,179		84,888	19,787	5,169,078			5,234,179
4. NAIC 4 (a)	3,487,703		140,816	10,308	3,357,195			3,487,703
5. NAIC 5 (a)	3,250,225		73,649	821,860	3,998,436			3,250,225
6. NAIC 6 (a)	3,741,304				3,741,304			3,741,304
7. Total Bonds	185,000,657	7,444,938	1,721,345	231,008	190,955,258			185,000,657
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2	500,000				500,000			500,000
10. NAIC 3	240,000				240,000			240,000
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	740,000				740,000			740,000
15. Total Bonds and Preferred Stock	185,740,657	7,444,938	1,721,345	231,008	191,695,258			185,740,657

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$; NAIC 2 \$; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	14,449	X X X	14,449		

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book / adjusted carrying value, December 31 of prior year	1,434	8,804,180
2. Cost of short-term investments acquired	14,359	5,312,165
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	1,344	14,114,911
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9)	14,449	1,434
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	14,449	1,434

Page SI04

Schedule DB, Part A, Verification
NONE

Schedule DB, Part B, Verification
NONE

Page SI05

Schedule DB, Pt. C, Section 1, Replicated (Synthetic Assets) Open
NONE

Page SI06

Sch DB, Pt C, Sn 2, Replication (Syn Assets) Transactions Open
NONE

Page SI07

Schedule DB, Verification
NONE

Page SI08

Schedule E, Verification (Cash Equivalents)
NONE

Page E01

Sch. A, Pt. 2, Real Estate Acquired
NONE

Sch. A, Pt. 3, Real Estate Disposed
NONE

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED AND ADDITIONS MADE during the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Actual Cost at Time of Acquisition	8 Additional Investment Made After Acquisition	9 Value of Land and Buildings
	2 City	3 State						
Mortgages in good standing - Commercial Mortgages - all other								
60025	Houston	Texas	C	01/10/2014	5.250	2,500,000		3,639,328
0599999 - Mortgages in good standing - Commercial Mortgages - all other						2,500,000		3,639,328
0899999 - TOTAL Mortgages in good standing (sum of 0199999 through 0799999)						2,500,000		3,639,328
3399999 - TOTAL Mortgages (sum of 0899999, 1699999, 2499999 and 3299999)						2,500,000		3,639,328

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED , Transferred or Repaid During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Change in Book Value/Recorded Investment						14 Book Value/Recorded Investment Excluding Accrued Interest on Disposal	15 Consideration	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal
							8	9	10	11	12	13					
	2 City	3 State					Unrealized Valuation Increase (Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other-Than-Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value					
Mortgages with partial repayments																	
60009	Houston	Texas	C	07/11/2002		820,370							808,621	11,749			
60012	Houston	Texas	C	12/27/2002		338,769							333,129	5,640			
60018	Norcross	Georgia	C	02/26/2008		1,722,527							1,708,549	13,978			
60020	Houston	Texas	C	08/28/2008		701,238							693,317	7,921			
60022	SugarLand	Texas	C	06/22/2011		1,915,621							1,905,151	10,470			
60024	Houston	Texas	C	05/24/2013		1,086,251							1,081,294	4,957			
60025	Houston	Texas	C	01/10/2014									2,500,000				
0299999 - Mortgages with partial repayments						6,584,776							9,030,060	54,716			
0599999 - TOTAL						6,584,776							9,030,060	54,716			

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Sch. BA, Pt. 2, Other Long-Term Invested Assets Acquired
NONE

Sch. BA, Pt. 3, Other Long-Term Invested Assets Disposed
NONE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U. S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions									
43612P-AK-0	HOLLYWOOD BEACH CMNTY DEV DIST		03/05/2014	SOUTHWEST SECURITIES		763,125	750,000.00	3,701	1FE
463805-BM-2	IRVING TEX HOTEL OCCUPANCY TAX		02/13/2014	JP MORGAN		919,958	885,000.00		1FE
463805-BQ-3	IRVING TEX HOTEL OCCUPANCY TAX		02/13/2014	PIPER JAFFRAY		510,000	500,000.00		1FE
592643-AA-8	METROPOLITAN WASH D C ARPTS AU		01/29/2014	VARIOUS		1,744,700	1,500,000.00	37,103	2FE
626207-YM-0	MUNICIPAL ELEC AUTH GA		03/28/2014	STERNE AGEE		1,124,500	1,000,000.00	185	1FE
3199999	Subtotal - Bonds - U. S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					5,062,283	4,635,000.00	40,988	
Bonds - Industrial and Miscellaneous (Unaffiliated)									
0258M0-DK-2	AMERICAN EXPRESS CR CORP MTNBE		03/13/2014	CITIGROUP		199,622	200,000.00		1FE
140420-NH-9	CAPITAL ONE BK USA NATL ASSN		02/10/2014	BARCLAYS CAPITAL INC FIXE		249,978	250,000.00		1FE
12591R-BA-7	COMM MTG TR 2014-CCRE15		02/10/2014	DEUTSCHE BANK		257,489	250,000.00	509	1FE
23311V-AF-4	DCP MIDSTREAM OPERATING PL		03/12/2014	SOUTHWEST SECURITIES		500,500	500,000.00	311	2FE
501044-CY-5	KROGER CO		01/23/2014	CITIGROUP		249,490	250,000.00		2FE
66989H-AG-3	NOVARTIS CAPITAL CORP		02/18/2014	GOLDMAN SACHS		248,218	250,000.00		1FE
927847-AA-1	VIRGINIA MASON MED CTR		03/05/2014	PIPER JAFFRAY		663,000	750,000.00	2,889	2FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					2,368,296	2,450,000.00	3,709	
8399997	Subtotal - Bonds - Part 3					7,430,578	7,085,000.00	44,697	
8399999	Subtotal - Bonds					7,430,578	7,085,000.00	44,697	
9999999	TOTALS					7,430,578		44,697	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold , Redeemed or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/ Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identifi- cation	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization) / Accretion	Current Year's Other- Than-Temporary Impairment Recognized	Total Change in B. / A. C. V. (11+12-13)	Total Foreign Exchange Change in B. / A. C. V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designa- tion or Market Indica- tor (a)
Bonds - U. S. Governments																					
36202B-T8-8	GNMA II POOL 1475		03/20/2014	PRINCIPAL RECEIPT		160	160.08	157	156	4			4		160				2	11/20/2023	1
36202C-PB-3	GNMA II POOL 2218		03/20/2014	PRINCIPAL RECEIPT		232	232.34	226	222	10			10		232				3	05/20/2026	1
36202C-PC-1	GNMA II POOL 2219		03/20/2014	PRINCIPAL RECEIPT		518	517.87	514	512	5			5		518				7	05/20/2026	1
36202C-P9-8	GNMA II POOL 2248		03/20/2014	PRINCIPAL RECEIPT		749	748.99	732	729	20			20		749				12	07/20/2026	1
36202C-QA-4	GNMA II POOL 2249		03/20/2014	PRINCIPAL RECEIPT		189	189.31	188	188	1			1		189				3	07/20/2026	1
36202C-QX-4	GNMA II POOL 2270		03/20/2014	PRINCIPAL RECEIPT		362	362.20	360	359	3			3		362				3	08/20/2026	1
36202C-RY-1	GNMA II POOL 2303		03/20/2014	PRINCIPAL RECEIPT		185	185.28	186	186	(1)			(1)		185				2	10/01/2026	1
36202D-FG-1	GNMA II POOL 2867		03/20/2014	PRINCIPAL RECEIPT		177	176.89	176	178	(1)			(1)		177				2	01/20/2030	1
36203L-DM-1	GNMA POOL 352108		03/17/2014	PRINCIPAL RECEIPT		183	182.86	187	187	(4)			(4)		183				2	08/15/2023	1
3837H1-2A-8	GNR 1999-6 PH		03/20/2014	PRINCIPAL RECEIPT		4,034	4,033.86	4,292	4,200	(166)			(166)		4,034				37	03/20/2029	1
912828-TB-6	UNITED STATES TREAS NTS		01/10/2014	JP MORGAN		210,937	213,000.00	210,937	210,938	14			14		210,953		(16)	(16)	9	06/30/2017	1
0599999 - Subtotal - Bonds - U. S. Governments						217,726	219,789.68	217,955	217,856	(114)			(114)		217,742		(16)	(16)	82		
Bonds - U. S. Special Revenue and Special Assessment and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
555554-44-3	ACCENT CAPITOL 0%		03/31/2014	VARIOUS		69,740	69,740.00	45,331	69,740						69,740					06/30/2023	1FE
312903-5H-6	FHLMC 173 CL RS		01/15/2014	PRINCIPAL RECEIPT			0.02													11/15/2021	1
312941-NJ-2	FHLMC PC GOLD COMB 30		03/17/2014	PRINCIPAL RECEIPT		4,065	4,065.21	4,067	4,082	(16)			(16)		4,065				32	07/01/2040	1
312945-WF-1	FHLMC PC GOLD COMB 30 4.000 204102		03/17/2014	PRINCIPAL RECEIPT		2,703	2,703.00	2,656	2,657	46			46		2,703				24	02/01/2041	1
312904-4V-4	FHR 1043 CL H		03/17/2014	PRINCIPAL RECEIPT		50	49.91	52	56	(7)			(7)		50				4	02/15/2021	1
312905-EV-8	FHR 1054 I		01/15/2014	PRINCIPAL RECEIPT			0.11													03/15/2021	1
312905-HS-4	FHR 1056 KD		01/15/2014	PRINCIPAL RECEIPT			0.07													03/15/2021	1
312905-GB-2	FHR 1057 CL J		01/15/2014	PRINCIPAL RECEIPT			0.17													03/15/2021	1
312907-ED-6	FHR 1148 E		01/15/2014	PRINCIPAL RECEIPT			0.41													10/15/2021	1
312903-7Q-4	FHR 176 CL M		01/15/2014	PRINCIPAL RECEIPT			0.06													07/15/2021	1
31404G-BH-3	FN 767840		03/25/2014	PRINCIPAL RECEIPT		169	169.41	173	172	(3)			(3)		169				2	06/01/2033	1
31375Y-VS-3	FNMA #349025		03/25/2014	PRINCIPAL RECEIPT		258	258.06	262	271	(13)			(13)		258				3	06/01/2026	1
31358H-P9-0	FNMA 1991-99 L		03/25/2014	PRINCIPAL RECEIPT		1	1.22	17	23	(21)			(21)		1				1	08/25/2021	1
31416W-7J-5	FNMA PASS-THRU LNG 30 YEAR		03/25/2014	PRINCIPAL RECEIPT		3,791	3,790.81	3,651	3,653	138			138		3,791				20	11/01/2040	1
31358F-EX-3	FNR 1990-123 M		03/25/2014	PRINCIPAL RECEIPT			0.21	3	3	(3)			(3)							10/25/2020	1
31358F-LA-5	FNR 1990-136 S		03/25/2014	PRINCIPAL RECEIPT		64	64.03	77	71	(7)			(7)		64				2	11/25/2020	1
31358J-M2-4	FNR 1991-139 PT		03/25/2014	PRINCIPAL RECEIPT		1	1.36	12	15	(14)			(14)		1				1	10/25/2021	1
31358G-UK-1	FNR 1991-46 S		03/25/2014	PRINCIPAL RECEIPT			0.47	14	19	(19)			(19)						2	05/25/2021	1
31358K-BQ-0	FNR 1991-G33 PV		03/25/2014	PRINCIPAL RECEIPT		3	2.50	40	49	(47)			(47)		3				5	10/25/2021	1
31358K-VB-1	FNR 1991-G49 S		03/25/2014	PRINCIPAL RECEIPT		1	1.18	14	19	(17)			(17)		1				2	12/25/2021	1
31358U-B5-4	FNR 1993-51 CL E 0%		03/25/2014	PRINCIPAL RECEIPT		456	456.06	333	400	56			56		456					02/25/2023	1
31358U-6R-2	FNR 1993-70 CL A 0%		03/25/2014	PRINCIPAL RECEIPT		72	72.05	64	60	12			12		72					05/25/2023	1
31393D-FW-6	FNR 2003-65 NA		03/25/2014	PRINCIPAL RECEIPT		1,667	1,666.93	1,601	1,648	19			19		1,667				10	09/25/2031	1
31396P-7D-7	FNR 2007-18 BD		03/25/2014	PRINCIPAL RECEIPT		61,976	61,975.56	61,753	61,743	233			233		61,976				590	05/25/2036	1
31364H-UF-2	FNR 203 CL 1 0%		03/25/2014	PRINCIPAL RECEIPT		138	138.06	121	138						138					02/01/2023	1
31364H-WH-6	FNR 228 CL 1 0%		03/25/2014	PRINCIPAL RECEIPT		125	124.95	110	125						125					06/01/2023	1
3199999 - Subtotal - Bonds - U. S. Special Revenue and Special Assessment and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						145,280	145,281.82	120,352	144,944	338			337		145,282				698		
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
01448Q-AE-0	ALESCO 4A B2		03/31/2014	TRANSFER			250,000.00												1,316	07/30/2034	6FE
007036-ND-4	ARMT 2005-7 7A21		03/25/2014	PRINCIPAL RECEIPT		10,715	10,714.84	6,563	8,581	2,134			2,134		10,715				9	10/25/2035	1FM
05948K-SK-6	BOAA 2004-6 3A2		03/31/2014	VARIOUS		1,125	1,125.45	1,160	1,130	(4)			(4)		1,125				9	07/25/2034	1FM
05949A-NW-6	BOAMS 2004-7 2A4		03/25/2014	PRINCIPAL RECEIPT		1,371	1,370.76	1,393	1,382	(12)			(12)		1,371				11	08/25/2034	1FM
05949A-PN-4	BOAMS 2004-7 6A1		03/25/2014	PRINCIPAL RECEIPT		4,323	4,322.85	4,226	4,269	54			54		4,323				26	08/25/2019	1FM
(continues)																					
(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues																					

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold , Redeemed or Otherwise Disposed of
by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identifi- cation	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization) / Accretion	Current Year's Other- Than-Temporary Impairment Recognized	Total Change in B. /A. C. V. (11+12-13)	Total Foreign Exchange Change in B. /A. C. V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designa- tion or Market Indica- tor (a)
Bonds - Industrial and Miscellaneous (Unaffiliated) (continued)																					
07384M-SM-5	BSARM 2002-11 1M1		03/25/2014	PRINCIPAL RECEIPT		641	641.03	599	583		58		58		641				3	02/25/2033	1FM
144528-AB-2	CARR 2006-NC3 A2		03/25/2014	PRINCIPAL RECEIPT		25,518	25,518.45	19,522	25,285		233		233		25,518				11	08/25/2036	5FM
14453M-AB-0	CARR 2006-NC4 A2		03/25/2014	PRINCIPAL RECEIPT		33,606	33,605.91	29,909	33,545		61		61		33,606				13	10/25/2036	4FM
16162W-DA-4	CHASE 2003-S13 A16		03/25/2014	PRINCIPAL RECEIPT		2,120	2,120.21	2,101	2,107		14		14		2,120				14	11/25/2033	1FM
17312G-AA-9	CMLTI 2007-AHL3 A3A		03/25/2014	PRINCIPAL RECEIPT		15,452	15,452.19	13,009	15,431		21		21		15,452				6	07/25/2045	4FM
126650-BQ-2	CVS CAREMARK CORPORATION		03/10/2014	Sink PMT @ 100.0000000		7,342	7,342.46	8,316	8,310		(968)		(968)		7,342				85	01/10/2030	4AM
126670-UT-3	CWABS INC 2006-2		03/25/2014	PRINCIPAL RECEIPT		20,264	20,264.29	18,111	20,209		56		56		20,264				12	10/25/2034	1FM
12668A-AG-0	CWALT 2005-47CB A-7		03/25/2014	PRINCIPAL RECEIPT		4,864	4,864.26	4,101	4,177		687		687		4,864				42	10/25/2035	4FM
126673-EE-8	CWL 2004-7 MV3		03/25/2014	PRINCIPAL RECEIPT		32,707	32,707.21	28,128	29,908		2,799		2,799		32,707				69	12/25/2034	1FM
126670-PA-0	CWL 2005-16 2AF5		03/25/2014	PRINCIPAL RECEIPT		57,548	57,547.71	37,783	39,226		18,322		18,322		57,548				429	02/25/2036	1FM
247367-BH-7	DELTA AIRLINES		02/10/2014	Sink PMT @ 100.0000000		16,609	16,609.08	17,091	17,011		(402)		(402)		16,609				566	08/10/2022	3AM
29445F-AH-1	EMLT 2003-2 3A3		03/25/2014	PRINCIPAL RECEIPT		37,689	37,688.70	31,847	34,359		3,329		3,329		37,689				54	09/25/2033	1FM
301965-CG-2	FFCA 2000-1 A2		03/18/2014	PRINCIPAL RECEIPT		1,658	1,658.47	1,841	1,700		(42)		(42)		1,658				22	09/18/2027	3AM
32027N-SJ-1	FFML 2005-FF6 M1		03/25/2014	PRINCIPAL RECEIPT		57,466	57,466.37	49,125	56,569		898		898		57,466				49	03/25/2036	1FM
35729R-AB-2	FREMONT HM LN TR 2006-A		03/25/2014	PRINCIPAL RECEIPT		15,934	15,933.53	11,931	13,351	(1)	2,583		2,583		15,934				8	05/25/2036	5FM
362334-EB-6	GSAMP 2006-NC1 A2		03/25/2014	PRINCIPAL RECEIPT		41,010	41,009.80	36,191	40,383		627		627		41,010				22	02/25/2036	1FM
3622MH-AB-2	GSAMP TRUST 2007-FM2		03/25/2014	PRINCIPAL RECEIPT		3,768	3,767.65	3,589	1,955	1,813			1,813		3,768				1	01/25/2037	5FM
36229R-LU-1	GSR 2004-2F 14A1		03/25/2014	PRINCIPAL RECEIPT		1,220	1,220.29	1,220	1,218		2		2		1,220				11	09/25/2019	1FM
362631-AB-9	GSR 2006-OA1 2A1		03/25/2014	PRINCIPAL RECEIPT		17,223	17,223.49	14,683	16,885		338		338		17,223				10	08/25/2046	1FM
46602U-AB-4	IXIS REAL ESTATE TR 2006-HE3		03/25/2014	PRINCIPAL RECEIPT		31,066	31,066.41	13,490	13,337		17,730		17,730		31,066				13	01/25/2037	1FM
46628V-AE-6	J P MORGAN ALT LN TR 2006-S3		03/25/2014	PRINCIPAL RECEIPT		23,010	23,009.96	21,687	22,418		592		592		23,010				241	08/25/2036	4FM
46630P-AZ-8	JP MORGAN MTG TR 2007-A2		03/25/2014	PRINCIPAL RECEIPT		12,188	12,187.92	11,579	11,328		860		860		12,188				102	04/25/2037	3FM
46630K-AA-4	JPMAC 2007-HE1 AF1		03/25/2014	PRINCIPAL RECEIPT		37,897	37,897.42	33,879	37,890		8		8		37,897				17	03/25/2047	4FM
576434-M7-6	MALT 2005-3 4A1		03/25/2014	PRINCIPAL RECEIPT		7,556	7,556.12	7,568	7,552		4		4		7,556				64	03/25/2020	1FM
55265K-XH-7	MASTR 2003-5 1A1		03/25/2014	PRINCIPAL RECEIPT		2,977	2,977.28	3,011	2,998		(21)		(21)		2,977				28	06/25/2033	2FM
57643L-QT-6	MASTR ABS TR 2006-HE1 20360125 FLT		03/25/2014	PRINCIPAL RECEIPT		42,468	42,468.00	38,606	42,447		21		21		42,468				27	01/25/2036	1FM
59020U-4S-1	MLCC 2006-1 2A1		03/25/2014	PRINCIPAL RECEIPT		14,056	14,056.38	12,749	12,814		1,242		1,242		14,056				49	02/25/2036	1FM
59020U-HM-0	MLMI 2004-A3 4A2		03/25/2014	PRINCIPAL RECEIPT		8,661	8,661.19	8,702	8,665		(4)		(4)		8,661				37	05/25/2034	1FM
61753K-AB-2	MORGAN STANLEY ABS 2007-HE5		03/25/2014	PRINCIPAL RECEIPT		4,901	4,900.93	4,582	2,629	2,270	2		2,272		4,901				3	03/25/2037	1FM
61755C-AA-0	MORGAN STANLEY ABS 2007-HE6		03/25/2014	PRINCIPAL RECEIPT		4,669	4,669.33	4,086	2,623	2,046			2,046		4,669				2	05/25/2037	5FM
64352V-LY-5	NEW CENTURY HE TR 2005-A		03/25/2014	PRINCIPAL RECEIPT		17,727	17,726.55	16,574	17,206		521		521		17,727				143	08/25/2035	1FM
65537K-AV-2	NHELI 2007-1 1A1		03/25/2014	PRINCIPAL RECEIPT		649	648.73	646	413	233	3		236		649				6	02/25/2037	1FM
68403H-AC-6	OPTION ONE MTG LN TR 2007-5		03/25/2014	PRINCIPAL RECEIPT		20,115	20,114.71	11,264	11,238	6,534	2,343		8,876		20,115				9	05/25/2037	5FM
69336R-CM-0	PHHMC 2005-6 A1		03/18/2014	PRINCIPAL RECEIPT		3,810	3,809.62	3,755	3,790		19		19		3,810				35	11/18/2035	1FM
76110H-Y4-5	RALI 05-QS3 2A1		03/25/2014	PRINCIPAL RECEIPT		22,415	22,415.30	20,615	20,991		1,424		1,424		22,415				168	03/25/2020	1FM
76110G-VM-0	RALI 202-QS1 A9		03/25/2014	PRINCIPAL RECEIPT		13,086	13,085.96	13,061	13,063		23		23		13,086				139	01/25/2032	1FM
75970H-AE-0	RAMC 2006-4 AF2		03/25/2014	PRINCIPAL RECEIPT		364	364.25	128	289		75		75		364				3	01/25/2037	5FM
75970J-AD-8	RAMC 2007-1 AF1		03/25/2014	PRINCIPAL RECEIPT		3,001	3,001.12	2,701	1,634	1,281	86		1,367		3,001				22	04/25/2037	1FM
76112B-4M-9	RAMP 2006-NC3 A2		03/25/2014	PRINCIPAL RECEIPT		15,301	15,301.25	11,705	14,796		506		506		15,301				9	01/25/2036	1FM
76110W-MX-1	RASC 2002-KS1 A16		03/25/2014	PRINCIPAL RECEIPT		16,139	16,139.45	13,275	14,151		1,988		1,988		16,139				156	06/25/2032	1FM
75971E-AE-6	RENAISSANCE HEQ 2006-3		03/25/2014	PRINCIPAL RECEIPT		1,455	1,455.05	1,178	903	480	72		552		1,455				16	11/25/2036	1FM
76111X-SF-1	RFMSI 2005-S1 2A3		03/25/2014	PRINCIPAL RECEIPT		4,217	4,216.63	3,732	3,783		434		434		4,217				29	02/25/2020	1FM
760985-PX-3	RFSC 2002-RM1 A11		03/25/2014	PRINCIPAL RECEIPT		2,587	2,587.39	2,599	2,587		1		1		2,587				25	12/25/2017	1FM
81375W-KD-7	SABR 2006-WM1 A2C		03/25/2014	PRINCIPAL RECEIPT		17,473	17,473.29	12,144	15,618		1,856		1,856		17,473				14	12/25/2035	1FM
86358H-QR-3	SAMI 2002-AR4 A1		03/19/2014	PRINCIPAL RECEIPT		17,347	17,347.45	14,187	14,960		2,387		2,387		17,347				35	02/19/2033	1FM
86359A-U3-5	SASC 2003-26A 7A		03/25/2014	PRINCIPAL RECEIPT		17,358	17,357.76	17,207	17,212		146		146		17,358				69	09/25/2033	1FM
86359B-MD-0	SASC 2004-3 1A1		03/25/2014	PRINCIPAL RECEIPT		6,554	6,553.70	6,562	6,553		1		1		6,554				57	03/25/2024	1FM
863576-EF-7	SASC 2006-GEL1 A2		03/25/2014	PRINCIPAL RECEIPT		33,493	33,493.34	30,814	33,171		322		322		33,493				33	11/25/2035	1FM
80556A-AB-3	SAXON ASSET SEC TR 2006-3		03/25/2014	PRINCIPAL RECEIPT		108,181	108,180.98	102,772	108,181						108,181				49	11/25/2036	1FM
(continues)																					

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold , Redeemed or Otherwise Disposed of
by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identifi- cation	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization) / Accretion	Current Year's Other- Than-Temporary Impairment Recognized	Total Change in B. /A. C. V. (11+12-13)	Total Foreign Exchange Change in B. /A. C. V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designa- tion or Market Indi- cator (a)
Bonds - Industrial and Miscellaneous (Unaffiliated) (continued)																					
80556Y-AB-1	SAXON ASSET SEC TR 2007-2		03/25/2014	PRINCIPAL RECEIPT		2,343	2,342.71	2,270	2,343						2,343				1	05/25/2037	5FM
80557B-AB-0	SAXON ASSET SEC TR 2007-3		03/25/2014	PRINCIPAL RECEIPT		27,716	27,716.35	25,499	27,703		13		13		27,716				16	09/25/2047	1FM
78443C-BT-0	SLMA 2005-A A2		03/17/2014	PRINCIPAL RECEIPT		24,851	24,850.73	21,713	24,294		557		557		24,851				24	12/15/2020	1FE
83612C-AD-1	SOUNDVIEW HM LN 2006-OPT5		03/25/2014	PRINCIPAL RECEIPT		15,811	15,811.30	11,226	14,623		1,188		1,188		15,811				7	07/25/2036	3FM
84474Y-AB-2	SOUTHWEST AIRLINES 07-1 TRUST		02/01/2014	Sink PMT @ 100.00000000		5,439	5,439.01	5,589	5,553		(114)		(114)		5,439					08/01/2022	3AM
86363H-AB-8	STRUCTURED ASSET SECS 2007-EQ1		03/25/2014	PRINCIPAL RECEIPT		938	938.38	758	520	418			418		938					03/25/2037	5FM
83612J-AC-8	SVHE 2006-EQ1 A3		03/25/2014	PRINCIPAL RECEIPT		33,182	33,181.84	23,227	30,808		2,374		2,374		33,182				18	10/25/2036	3FM
881561-KZ-6	TMTS 2004-16SL B1		03/25/2014	PRINCIPAL RECEIPT		18,644	18,644.10	12,119	13,570		5,074		5,074		18,644				179	10/25/2034	4FM
92261W-AA-8	VENDEE MTG TR 2011-1		03/17/2014	PRINCIPAL RECEIPT		5,451	5,450.54	5,482	5,461		(10)		(10)		5,451				33	02/15/2035	1FE
92922F-EB-0	WAMU 2003-AR10 A7		03/25/2014	PRINCIPAL RECEIPT		25,625	25,625.46	22,871	23,093		2,532		2,532		25,625				96	10/25/2033	1FM
92922F-B4-9	WAMU 2004-AR13 A1A		03/25/2014	PRINCIPAL RECEIPT		26,079	26,078.75	21,906	23,223		2,855		2,855		26,079				21	11/25/2034	1FM
44841S-AB-5	HUTCHINSON WHAMPOA	R	01/24/2014	MATURITY		250,000	250,000.00	252,643	250,024		(24)		(24)		250,000				7,813	01/24/2014	1FE
3899999	- Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					1,356,977	1,606,977.64	1,192,596	1,264,029	15,074	77,874		92,948		1,356,978				12,608		
8399997	- Subtotal - Bonds - Part 4					1,719,983	1,972,049.14	1,530,903	1,626,830	15,074	78,098		93,171		1,720,002		(16)	(16)	13,388		
8399999	- Subtotal - Bonds					1,719,983	1,972,049.14	1,530,903	1,626,830	15,074	78,098		93,171		1,720,002		(16)	(16)	13,388		
9999999	- TOTALS					1,719,983		1,530,903	1,626,830	15,074	78,098		93,171		1,720,002		(16)	(16)	13,388		

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Schedule DB, Part A, Section 1

NONE

Description of Hedged Risk (s)

NONE

Financial or Economic Impact of the Hedge

NONE

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Schedule DB, Part B, Section 1

NONE

Schedule DB, Part B, Section 1, Broker Name

NONE

Schedule DB, Part B, Description of Hedged Risk (s)

NONE

Schedule DB, Part B, Financial or Economic Impact of the Hedge

NONE

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Schedule DB, Part D, Section 1

NONE

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Schedule DB, Part D, Section 2, By Reporting Entity

NONE

Schedule DB, Part D, Section 2, To Reporting Entity

NONE

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Schedule DL, Part 1

NONE

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Schedule DL, Part 2

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
Name	Location and Supplemental Information					First Month	Second Month	Third Month	
Open Depositories									
CHASE BANK	HOUSTON, TX					3,574,541	4,178,889	1,080,426	
FLEET BANK	BOSTON, MA					60,552	77,500	94,409	
0199999 - TOTAL - Open Depositories						3,635,094	4,256,388	1,174,835	
0399999 - TOTAL Cash on Deposit						3,635,094	4,256,388	1,174,835	
0599999 - TOTALS						3,635,094	4,256,388	1,174,835	

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Schedule E, Part 2, Cash Equivalents
NONE